

SUBJECT: (Optional)				
FROM: Acting Comptroller			NO.	
			DATE 31 OCT 1961	
TO: (Officer designation, room number, and building)	DATE		OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
	RECEIVED	FORWARDED		
1. Deputy Director (Support)				<p>This project would be very difficult to defend to B.O.B. as requiring a release from the Reserve. To a degree the project qualifies for a release but it was included in the 1961 fiscal year budget and there was ample opportunity to include sufficient funds in the 1962 budget. Also, the climate for obtaining a release for this size amount and for an operation of this type is not good, particularly when they are asking us to cut the amount of Reserve funds to be transferred to the Agency and the amount of Reserve funds to be used by the Agency. It is realized that Reference No. 1 in the file is an agreement by the Director in principle that the Agency will support any so-called budget shortfall. However, this does not necessarily constitute an agreement that such additional fund requirements will be financed from the Contingency Reserve.</p> <p>I have not had the opportunity to review this project in detail with the IO Division and therefore do not know to what extent holding their operation for Fiscal Year 1962 to \$500,000 would be detrimental. However, from reviewing the attachment it would appear to me to be wise to hold the operation to a low figure until the project is under better management control and until the objectives are more clearly defined.</p> <p>(Over)</p>
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I recommend the project either be held at the \$500,000 level for Fiscal Year 1962 or that if it must be continued at a higher level that it be financed through savings and/or reprogramming. Of course, if it is determined by the Director that he wishes us to seek a release from the Reserve we will do everything possible to obtain one.

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